

[Magellan Gold Corp.](#) (OTCQB: MAGE) ("Magellan" or "the Company") today announced that its Peruvian Niñobamba exploration venture with [Rio Silver Inc.](#) (TSX.V: RYO) ("Rio Silver") has applied for a new 553-hectare concession, bringing its consolidated land package to 36.53 square kilometers (9,027 acres). The new concession was the subject of an exploration program by [Newmont Mining Corp.](#) in 2009-2010, which yielded encouraging geochemical and geophysical anomalies and included an initial drilling program. One hole intersected 72 meters averaging 1.19 grams per tonne gold. Niñobamba is located in south-central Peru near infrastructure and with excellent access. Title to the new concession is expected to be granted by the Peruvian Ministry in the first half of 2017.

"This additional concession expands the extent of known silver-gold mineralization under our control to over six kilometers in an east-west direction", said Dr. Pierce Carson, CEO. "This extensively altered and mineralized trend contains a number of largely untested and open-ended silver and gold anomalies, several of which appear to represent excellent bulk mineable open pit targets. The newly acquired concession lies on the western portion of the trend. The main Ninobamba concession is located at the eastern end of the trend. We are particularly encouraged by results of historical drilling and surface trenching, which returned potential ore grade mineralization over substantial widths.

"Currently we are compiling the extensive technical database, and are prioritizing targets for an aggressive exploration program planned for 2017."

In 2009-2010, [Newmont Mining Corp.](#) completed significant exploration within the area of the new concession and identified four prospective targets of which the Jorimina zone returned particularly encouraging results. Surface geochemical sampling identified a gold anomalous area of at least 700 meters by 1000 meters. Highlights of surface sampling include results from rock channel samples that returned 17.4 meters of 3.06 grams per tonne ("g/t") Au and 200 meters of 0.26 g/t Au. Geophysical induced polarization surveys showed four strong chargeability anomalies coinciding with gold-silver anomalies. Two of the four chargeability anomalies were defined as 680 meters by 150 meters and 700 meters by 200 meters.

Thirteen holes totaling 4,377 meters were drilled at Jorimina. Six of these holes drilled in the Jorimina Central area encountered significant Au-Ag-Zn-Pb mineralization in an area 700 meters by 300 meters. Drill hole JOR-001 returned 72.3 meters averaging 1.19 g/t Au starting at a depth of 53 meters. The Jorimina prospects exhibit promising potential for a significant discovery and additional exploration appears to be warranted.

On October 25, 2016, the Company announced it had concluded a Definitive Agreement with Rio Silver pursuant to which Magellan has the right to earn an undivided 50% interest in the Niñobamba Silver/Gold Project. To earn its 50% interest, Magellan must spend \$2.0 million in exploration over three years.

In connection with the Rio Silver transaction, Magellan is required to complete two private placement unit financings in Rio Silver, each for aggregate proceeds of Cdn\$75,000. The Company has completed the first unit private placement financing and expects to complete the second in January 2017.

About Magellan Gold Corporation

[Magellan Gold Corp.](#) (OTCQB: MAGE) is a US public enterprise focused on the exploration and development of precious metals. The Company's two mineral properties are located in Arizona and in Peru.

The 100% owned Silver District Property in southwest Arizona comprises over 2,000 acres covering the heart of the historic Silver District. The property contains a near-surface historical drilled resource of 16 million ounces of silver and exhibits exploration promise for significant expansion. The Niñobamba Silver-Gold Property in southern Peru, on which the Company has the right to earn a 50% interest, covers 9,027 acres and demonstrates potential for one or more large, bulk tonnage, silver-gold deposits.

To learn more about Magellan Gold Corporation, visit <http://www.magellangoldcorp.com>.

Cautionary Statement

The United States Securities and Exchange Commission permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can legally extract or produce. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves. Currently we have not delineated "reserves" on any of our properties. We cannot be certain that any deposits at our properties will ever be confirmed or converted into SEC Industry Guide 7 compliant "reserves." Investors are cautioned not to assume that all or any part of any "resource" estimates will ever be confirmed or converted into reserves or that they can be economically or legally extracted.

Forward Looking Statements

This release contains "forward-looking statements." Such statements are based on good faith assumptions that [Magellan Gold Corp.](#) believes are reasonable but which are subject to a wide range of uncertainties and business risks that could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Factors that could cause actual results to differ from those anticipated are discussed in Magellan Gold Corporation's periodic filings with the Securities and Exchange Commission.

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